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CIA backs  
oil scarcity  
predictionTurner cites report  
on sharp decline in  
Soviet production

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Washington—The Central Intelligence Agency yesterday defended its prediction of a global oil shortage by 1985, citing a newly declassified analysis of rapidly falling oil production in the Soviet Union.

Adm. Stansfield Turner, director of central intelligence, told the House energy subcommittee that oil production in the Soviet Union may peak early in 1978 or the early 1980's. If so, this will force the Russians and their Eastern European allies to compete with the rest of the world for oil from Middle East and other exporting regions, Admiral Turner said.

The CIA's world oil outlook has become an important part of the debate over President Carter's energy plan, since it supports the President's warning that the United States is headed for a potential energy crisis in the mid-1980's.

The CIA outlook has been challenged by a recent analysis sponsored by the United Nations, which said that the U.S. could meet its energy gap in the next three decades by accelerating production of higher-cost oil from tar sands, shales and other "unconventional" resources.

Mr. Carter's plan also drew criticism yesterday from Republican congressional leaders who contended that much more oil and gas can be discovered in the U.S. if the energy industry is given an adequate incentive through higher prices.

The Carter plan does provide higher prices for new oil and gas discoveries but maintains federal price controls on production from existing fields. The Senate Republican leader, Howard H. Baker, Jr., of Tennessee, and other GOP leaders urged a gradual removal of oil and gas price controls.

Representative Clarence J. Brown (R., Ohio), a member of the energy subcommittee, appeared to question the credibility of the CIA analysis, as he asked Admiral Turner yesterday whether the CIA had considered the amount of new oil and gas that might be found in the U.S. if energy companies were granted higher prices than Mr. Carter has offered.

Admiral Turner replied that in the CIA's view, neither the U.S. nor the Soviet Union can tap new petroleum resources quickly enough to head off shortages in the mid-1980's.

He described a series of oil delivery problems that have befallen the Soviet Union, based upon information published by the Russians as well as "highly sensitive intelligence sources."

These problems include "inefficient" drilling rigs and attempts to maximize production by injecting water under heavy pressure into oil reservoirs. Water flooding techniques are used in the U.S. to maintain production from older wells, but not to increase production from relatively "young" fields, as the Russians have done, Admiral Turner said.

As a result, he added, increasingly large amounts of water must be removed from the Soviet oil production before it is refined.

While the Russians have substantial untapped oil reserves, estimated at 30 to 35 billion barrels—slightly less than proven U.S. reserves—the Russians do not have the drilling capability to increase production from existing fields and develop new ones simultaneously at a pace to meet their needs in the 1980's, he said.

The attempts by Mr. Carter and his Republican critics to devise an energy plan are hampered by other uncertainties in addition to the Soviet question.

More critical is the agreement of Saudi Arabia and other members of the Organization of Petroleum Exporting Countries (OPEC) to continue raising oil production to meet the world's needs.

The CIA estimates that by 1985, demand for OPEC oil will reach 47 million to 52 million barrels a day, compared with

the current 32 million barrels-a-day demand.

Even if all other OPEC states produce at their full capacity, Saudi Arabia would have to produce between 19 and 23 million barrels a day to meet demand in 1985 doubling current production, the CIA said. This exceeds the Saudis' projected capacity in that year, and the CIA doubts that such a production increase would occur.

Meanwhile, the Federal Energy Administration yesterday announced that it was beginning a move to require 31 electric power plants to convert from oil to coal.

John F. O'Leary, the energy administrator, said, however, "that no conversions will occur unless full compliance with all applicable environmental standards is insured."

None of the 31 power plants is in Maryland.

Conversion to coal could require three to five years, FEA officials said. They expressed hopes that Congress will pass legislation speeding up the conversion process by placing the burden of proof for gaining an exemption on utilities and industries rather than the government, which now is required to prove that coal is available before enforcing conversion on a power plant.